

**R E M A R K S****A. INTRODUCTION**

This paper is being filed in response to an Office Action mailed March 6, 2006 and after the filing of a Notice of Appeal. Upon further review of the file and in order to ensure consideration of the concurrently filed Information Disclosure Statement and Affidavits, we have submitted these Remarks instead of filing an Appeal Brief.

Claims 1-44, 46-50, and 56-70 are pending. Claims 1, 56, and 61-63 are independent.

**B. REQUEST FOR CONTINUED EXAMINATION**

A Request for Continued Examination (RCE), along with the appropriate fee, is being filed concurrently to ensure consideration of these Remarks and Information Disclosure Statement.

**C. SECTION 103(A) REJECTIONS**

Claims 1, 2, 5-16, 18, 19, 29-32, 42-44, 49, and 56-65 stand rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

an affidavit describing a personal experience of Examiner James Myhre attested to on December 22, 2003 (the "Myhre Affidavit"), and U.S. Patent No. 5,721,827 issued to Logan et al. ("Logan").

Claims 3, 4, 17, and 33-40 stand rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

Myhre Affidavit,

Logan, and

U.S. Patent No. 5,636,346 issued to Saxe ("Saxe").

Claims 20-28, 41, 46-48, and 50 stand rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

Myhre Affidavit,

Logan, and

U.S. Patent No. 5,515,270 issued to Weinblatt ("Weinblatt").

Claim 66 stands rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

Myhre Affidavit,

Logan, and

Tedesco (Broadcasting & Cable).

Claims 67 and 68 stand rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

Myhre Affidavit,

Logan, and

Fleming (Wall Street Journal).

Claims 69 and 70 stand rejected under 35 U.S.C. § 103(a) as being obvious in view of factual assertions allegedly supported by a combination of evidence in:

Myhre Affidavit,

Logan, and

Colman (Broadcasting & Cable).

We respectfully traverse all of the Examiner's rejections for the reasons discussed in these Remarks.

## **1. Summary of Arguments**

### **1.01. No prima facie case of obviousness for any claim**

All of the Section 103(a) rejections fail because the Examiner does not make the requisite showing based on actual evidence of record that all of the claimed subject matter of any claim was known, and the record also cannot support the Examiner's assessments of the prior art with substantial evidence. The Examiner has not made any prima facie case of obviousness, and in any event no evidence is of record that could support a showing of obviousness. Further, even if the evidence of record disclosed all of the assessments asserted by the Examiner, the evidence of record lacks any teaching, suggestion, or motivation to modify or combine the alleged teachings, in the manner suggested by the Examiner, to produce any of the specific combinations of features of any claim. Also, even if the evidence of record supported the Examiner's purported motivation(s) to combine the asserted teachings in the manner suggested, the resulting combination would fail to teach or suggest all of the specific features of any claim. Accordingly, all of the Section 103(a) rejections should be reconsidered and withdrawn.

**1.02. No substantial evidence of an offer provided after there is an indication of an item that a customer is to purchase from a merchant**

All independent claims generally include limitations that an offer is provided after there is an indication of an item that a customer is to purchase from a merchant. Applicants note that evidence of record regarding the practices of Radio Shack™ selling cellular telephones (e.g., the documents v, w, and x provided by the Examiner in the Notice of References Cited provided with the Third Office Action; the document submitted by Applicants with the Declaration of Dean Alderucci) does not disclose that any offer is provided after receiving of an indication of an item that a customer is to purchase from Radio Shack™. Thus, the objective evidence of record contradicts the Examiner's subjective recollection (as made of record in the Myhre Affidavit) of an alleged prior art practice he recalls (incorrectly, as discussed below) witnessing in 1991 and 1992. That recollection cannot constitute substantial evidence for at least that feature of the rejected claims.

**1.03. The Board's Statement in 09/045,518 that Affidavits may include Questions Challenging an Examiner's Affidavit**

In addressing our arguments that the Myhre Affidavit is insufficient evidence on which to base all of the Section 103(a) rejections, Examiner Myhre cited portions of an opinion of the Board in another application (09/045,518) that addressed some of the same arguments we have made in this application. [Office Action mailed December 14, 2004, pages 20-22].

In our previous Response, we provided a series of questions to challenge and explain what James W. Myhre witnessed. Those questions are now provided in an Affidavit, as suggested by the Board in 09/045,518.

We do not necessarily agree that an affidavit is an appropriate mechanism to contradict or explain this alleged personal experience, for the reasons outlined below. Nonetheless, our questions are now provided in the form of an affidavit, and we respectfully request that they be addressed by Examiner James W. Myhre.

**2. Request for Actual Evidence of Record in Support of Examiner's Assessments of the Prior Art**

In the Office Action mailed December 14, 2004, Examiner Myhre made many assertions that are not supported by actual evidence of record or by the references relied on by the Examiner in rejecting the claims (the Myhre Affidavit, Logan, Saxe, or Weinblatt). The present Examiner has not provided actual evidence in support of these assertions.

Accordingly, we maintain our traverse of all such assertions. Objective evidence of all assessments is required in order to establish a prima facie case of obviousness, including assertions as to what was known, proposed motivations to combine or modify, or what was allegedly general knowledge of those of ordinary skill in the art. Accordingly, the Examiner's unsupported assessments of the prior art may be relied upon in rejecting any pending claims. The assertions include:

"Each of the service plans had various rules which delineated the qualifications needed to be met by the customer and/or cell phone before it was a viable offerable option, e.g. subsidy based on length or terms of service contract, cost of phone, age or other demographics of the customer, etc." [page 3].

"Official Notice is taken that it is old and well known within the retail arts for merchants to conduct business and sell a myriad of products, to include cellular telephones, on the Internet through web sites." [page 3].

"While the application would also include information about the product (cellular telephone) that was being purchased by the customer, that information would be entered by the store clerk, not by the customer." [pages 4-5].

"It is also would have been obvious to base the offer on other types of customer information, such as marital status. For example, it would have been obvious to present to a customer who is married and has teenage children an offer for a family calling plan (and, if the salesman is any good, additional phone sets). Whereas, such an offer would be inappropriate, or at least more likely to be rejected, if the customer was a young, unmarried college student." [pages 5-6].

"If incorrect customer information has been entered on the application form, such as a misspelled name, it may be impossible for Sprint to complete a credit check and issue an approval of the application." [page 6].

"Myhre implies such a penalty when Sprint returns a non-approval (rejection) of the application form, thus preventing the customer from not only receiving the benefit, but also from being able to activate the cell phone at the time of purchase (unless another service provider approves a secondary offer to the customer)." [page 7].

"...to prevent entry of fraudulent or inaccurate information into the database, to ensure the purchased item is delivered to the correct address, and to ensure that the credit card data is correct prior to releasing the merchandise to the customer." [page 8].

"(i.e. the offer to subsidize the purchase of a cellular telephone is not provided if the customer is purchasing a computer)." [page 9].

“These offers are not only made at a merchant’s point of sale, but are prevalent throughout our ‘plastic’ society.” [page 9]

“Indeed, with the advent of ‘sponsored’ credit cards several years ago, such as banks and even gasoline companies issuing VISA cards, surveys have shown that each American receives dozens of such offers each year.” [pages 9-10].

“Indeed, even Radio Shack offered its own brand of credit card and included a percentage discount on your first purchase with it.” [page 10].

“One would have been motivated to ensure that the customer did not already have an account with the credit card issuer to avoid providing an excessive credit limit to a customer.” [page 10].

“It would have been obvious to one having ordinary skill in the art at the time the invention was made that the second merchant would require the customer information in order to provide an offer targeted to that customer.” [page 10].

“Therefore, Myhre’s disclosure of providing targeted offers from the second merchant infers that the customer information has been received by the second merchant prior to selection of the offer.” [page 10].

“One would have been motivated to provide the customer information after receiving the indication that the customer is willing to purchase an item in order to allow new customers, whose information was just being collected, to participate in the customized offer system.” [pages 10-11].

“Therefore, it would have been obvious...to allow the Radio Shack customer to credit the purchase price to a credit card account. One would have been motivated to charge the purchase price to a credit card account in order to eliminate the need for handling large amounts of cash by the customer and merchant.” [page 11].

“One would have been motivated to include this information in order to increase the accuracy and utility of the customer information database when used in marketing programs....” [page 12].

“...such as Sprint presenting special offers to new customer [sic] if they switch their [sic] other telephone services (local and/or long distance) to Sprint.” [page 12].

“One would have been motivated to include these types of price reductions and to place such a limit on the reduction in order to increase the flexibility of the system while preventing the merchant from losing money by actually paying the customer to take the item (if the price reduction exceeded the price of the item).” [page 14].

“...if the customer has not indicated a desire to purchase a cellular telephone no offer is provided. It is only after the customer has shown interest in purchasing a cellular telephone that the offer is made. If the customer indicates the desire to purchase a computer, for instance, the cellular telephone subsidy offer would not be presented.” [page 16].

“...an offer to subsidize one product if the customer purchases that additional product indicated in the offer is just one type of such promotional messages.” [page 16].

“...the customer must indicate an interest in purchasing a cellular telephone before a subsidy offer is made. If the customer indicates a desire to purchase some other product, such as a computer, the cellular telephone subsidy offer is not presented.” [page 17].

“The Examiner notes that without verifying that the customer information was accurate, i.e. correct name, address, etc., Sprint would not be able to perform a credit check on the customer, or determine if the customer had broken previous telephone contracts.” [page 17].

“If the customer entered in erroneous information, such as his own name and address but the Applicant’s credit card number, Sprint would not have approved the application because the customer information could not be verified (i.e. customer name does not match name on credit card).” [page 17].

“The Examiner further notes that verification of customer information during transactions is very old and well known and predates not only the present application, but also the present Applicant.” [page 17].

“The Examiner notes that as discussed in the rejection above, if the customer’s information cannot be verified (i.e. the customer name does not match the name on the credit card) the customer is penalized by having the transaction (and offer) refused.” [page 18].

“The Examiner notes that the offer from the second merchant to subsidize the customer’s purchase at the first merchant could pertain to any type of product or service sold by the second merchant, to include credit card services.” [page 18].

“The application form submitted by the customer in Myhre could have been an application form for any product or service provided by the second merchant (Sprint).” [page 18].

“It would also have been obvious to determine the customer’s present telephone service provider in order to determine whether or not the customer was an existing customer or a new customer to the second merchant.” [pages 18-19].

“The Examiner notes that while the above may have been true in 1992, by the time present invention was filed in 1998 it was not. The number of cellular telephone manufacturer and service provider [sic] had greatly expanded and interoperability between the product and the service providers had become the norm. Thus, by the time the present invention was filed it would have been obvious to provide offers from a plurality of second merchants (service providers).” [page 19].

We have again reviewed the cited references (including the Myhre Affidavit) and cannot identify support for any of the above assertions in those documents. Applicants respectfully request that the Examiner specify, for each assertion, a citation to evidence in the record that the Examiner believes supports the assertion with substantial evidence. If no such evidence is currently of record, we respectfully request that the Examiner find supporting evidence and make it of record, or withdraw the assessment. If an assessment is based on the Examiner’s personal experience, we respectfully request that the Examiner (i) make a clear statement to that effect and (ii) provide a new affidavit in accordance with 37 C.F.R. § 104(d)(2) describing, with requisite specificity, the Examiner’s recollection of the alleged prior art practices the Examiner witnessed.

### **3. The Myhre Affidavit is not substantial evidence**

The Myhre Affidavit is uncorroborated by any evidence of record, and cannot form substantial evidence of the practices alleged to have occurred in 1991 and 1992.

#### **3.01. One’s Experience Alone is not Substantial Evidence**

With respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding **or experience** -- or on its assessment of what would be basic knowledge or common sense. Rather, the board must point to some concrete evidence in the record in support of these findings.

In re Zurko, 258 F.3d 1379, 1386, 59 U.S.P.Q.2d 1693 (Fed. Cir. 2001) (“Zurko IV”) (emphasis added).

This requirement applies even though “the Board clearly has expertise in the subject matter over which it exercises jurisdiction.” Zurko IV, 258 F.3d at 1385 - 86. This expertise may provide sufficient support for conclusions as to peripheral issues, not the core factual findings. Zurko IV, 258 F.3d at 1386. Deficiencies in cited references “cannot be remedied by the Board’s general conclusions about what is ‘basic knowledge’ or ‘common sense.’” Zurko IV, 258 F.3d at 1385 – 86.

Thus, the Federal Circuit has held that not only is an agency member's "own understanding or experience" not the same as "concrete evidence in the record", the agency member's "own understanding or experience" is not substantial evidence. Only "concrete evidence in the record" is substantial evidence. The Court could not "accept the Board's unsupported assessment of the prior art." Zurko IV, 258 F.3d at 1386.

It is worth noting that, in Zurko IV, the Court reversed the Board's judgment for lack of substantial evidence support. Zurko IV, 258 F.3d at 1386. It was therefore not merely an instance where the Board failed to articulate and place matter on the record, warranting remand. See, e.g., In re Lee, 277 F.3d 1338, 1346, 61 USPQ2d 1430 (Fed. Cir. 2002), (in the "fine line between agency reasoning that is 'so crippled as to be unlawful' and action that is potentially lawful but insufficiently or inappropriately explained", "in the former circumstance, the court's practice is to vacate the agency's order, while in the latter the court frequently remands for further explanation...while withholding judgment on the lawfulness of the agency's proposed action.")

In summary, an Examiner's or Board member's "own experience" standing alone, even if such experience is adequately explained, is not concrete evidence in the record, and is thus not substantial evidence.

### **3.02. Mere Documentation or Attestation Does not Create Substantial Evidence from Insubstantial Evidence**

Since an Examiner's or Board member's "own experience" is not substantial evidence, it would be illogical to convert such undocumented experiences to substantial evidence merely by recording the personal experience in a separate document (e.g., an affidavit) and / or by allowing the assertion of personal experience to be affirmed under oath.

The Court could not "accept the Board's unsupported assessment of the prior art," even though the assessment was articulated in the record, and even though Board members are already bound in their duties to follow ethical cannons that are at least as binding as an affirmation under oath. Therefore, an oath cannot be considered a "cure" for converting undocumented, personal experience into concrete evidence of record that would support an assessment of the prior art.

The formulaic documenting of and attesting to the Examiner's personal knowledge or experience, placed in the record in the form of the Myhre Affidavit, constitutes nothing more than a re-articulation of the Examiner's unsupported assessment of the prior art. Mere formalism and re-articulation of an assessment of the prior art or knowledge cannot support what was unsupported, or make concrete what previously was not concrete. An assessment of the prior art based solely on



personal knowledge would be unsupported if articulated in an Office Action or even, as in Zurko IV, articulated in a decision by the Board; such an assessment is not suddenly transformed into concrete evidence merely by re-stating and re-affirming that assessment in a separate paper.

Rather than being interpreted as a transformative mechanism that could somehow recast what would otherwise be an unsupported assertion of the prior art into concrete evidence of that very assertion, an Examiner's Affidavit under 37 C.F.R. § 104(d)(2) is better understood as a procedure to clarify the record and to help save a lack of citation in an office action from one possible constitutional infirmity as denying reasonable notice and hence due process. In other words, it serves to document, encapsulate, and separate in the record a description of the Examiner's recollection of the Examiner's personal experience. Providing notice that an assertion of prior art is based solely on the Examiner's memory clearly identifies the source of the assertion. Merely providing such notice in accordance with 37 C.F.R. § 104(d)(2) does not, however, self-authenticate, self-substantiate, or self-corroborate the Examiner's recollection.

In light of the recent Federal Circuit decisions in Zurko IV and In re Lee, an Examiner's Affidavit under 37 C.F.R. § 104(d)(2) cannot be considered substantial evidence of assertions which are not supported by concrete evidence in the record. Moreover, that rule never specified that such an affidavit by an Examiner was to be considered, standing alone, substantial evidence that may be used as a primary basis for rejection.

Instead, the rule providing for affidavits of Examiners might be better analogized to Official Notice, which is properly used only to "supplement or clarify the teaching of a reference." In re Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) (emphasis added).

### **3.03. Questionable Memory**

It is a judicially-recognized fact that the accuracy of one's recollection must be questioned in light of the frailties of human memory. See, e.g., Woodland Trust v. Flouertree Nursery, 148 F.3d 1368, 1372 (Fed. Cir. 1998) ("Oral evidence alone cannot be clear and convincing evidence because of 'the frailty of memory of things long past and the temptation to remember facts favorable to the cause of one's relative or friend'"); Eibel Process Co. v. Minnesota & Ontario Paper Co., 261 U.S. 45, 60 (1923) ("The temptation to remember in such cases and the ease with which honest witnesses can convince themselves after many years of having had a conception at the basis of a valuable patent, are well known in this branch of law"); Barbed Wire Patent Case, 143 U.S. 275, 284 (1892) (the "unsatisfactory character of testimony" arises from "the forgetfulness of witnesses, their liability to mistakes,

their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury"); In re Reuter, 670 F.2d 1015, 1021 (C.C.P.A. 1981) (A "ten-year lapse of time, due to the frailty of human memory, detracts from the credibility of the affiant."); Lockheed Aircraft Corp. v. United States, 553 F.2d 69, 75, 193 USPQ 449, 454 (Ct.Cl. 1977) (five to six years); Rex Chainbelt Inc. v. Borg-Warner Corp., 477 F.2d 481, 177 USPQ 549 (CA 7 1973) (eight years); Goodrich v. Harmsen, 58 CCPA 1144, 442 F.2d 377, 169 USPQ 553 (1971) (nine years).

Thus, further reasons for the lack of substantial evidence relate to the particular facts of the Myhre Affidavit. As asserted, the events occurred no later than 1992, 11 years before the date the Myhre Affidavit was created. The accuracy of the affiant's memory must be questioned.

Further, as discussed below, the alleged time period (1991 or 1992) and/or alleged cellular service provider (Sprint™) is/are incorrect. The accuracy of the affiant's memory of the alleged personal experience must be questioned.

#### **3.04. Hindsight Basis for Remembering**

The accuracy of the affiant's memory must also be questioned because the Myhre Affidavit was only created 11 years after the events asserted in the Myhre Affidavit. By that time, the Examiner had already:

- read the Applicants' disclosure,
- construed Applicants' claims,
- conducted a prior art search for similar subject matter,
- applied references in two Office Actions against the pending claims, and
- read Applicants' arguments in Responses and in an Appeal Brief regarding the patentability of all pending claims.

It is extremely likely that the already distant memories of the affiant were influenced and embellished by reading and analyzing all of this information, and that hindsight affected the affiant's beliefs as to what actually transpired in the 1991 and 1992.

#### **3.05. The Myhre Affidavit is Not Challengeable under 37 C.F.R. § 104(d)(2)**

Pursuant to 37 C.F.R. § 104(d)(2), an affidavit of an Examiner must be "subject to contradiction or explanation by the affidavits of the applicant and other persons."

The need to allow contradiction or explanation presupposes that the assertions in such an affidavit are those that could in some way be countered or clarified by facts in another affidavit.

This need also presupposes that Applicants would solicit such additional affidavits in response to receiving an affidavit of an examiner.

Clearly, this rule would cover situations involving, e.g., facts and truths that could be analyzed by an applicant subsequent to receiving an affidavit of an examiner, so that the applicant could then collect additional facts by which to "contradict or clarify" the examiner's affidavit. Such situations include assertions as to, e.g., the chemical properties of substances, mechanical characteristics of apparatus components, and electrical properties of circuits. Particularly, such situations involve facts which, if proven today, demonstrate that they were previously true as well. Thus they are subject to contradiction because a current investigation or explanation can demonstrate the veracity of the assertions, or lack thereof.

However, an assertion of a public use, especially one in which no additional parties are made available to the applicant and the alleged activity has ceased, is not contemplated by the rule. Patent applicants could not "challenge" a statement of an allegedly public practice, especially one which was, of its face, not widespread or readily disseminated beyond an extremely small group, and one which does not name corroborating witnesses who are available.

The Myhre Affidavit refers only to Examiner Myhre and other unspecified "customers." Each of these parties is not available to the Applicants, and thus the Myhre Affidavit is not "subject to contradiction or explanation." Examiner Myhre cannot be called upon by Applicant to testify or clarify his assertions under oath through the patent examination process. The remaining parties are unnamed, and there is no specificity as to who else might be able to contradict or deny the assertions in the Myhre Affidavit. It is not clear if any of the "customers" was aware of all of the aspects of the alleged practice described in the Myhre Affidavit.

Examiner Myhre has never offered any evidence that could corroborate the Examiner's personal experience in 1991 and 1992. The alleged time period during which the personal experience took place potentially covers two entire calendar years. Examiner Myhre has never further specified any particular point in time during those years when the experience took place. Applicants have attempted on at least two occasions to get more specific information about the personal experience described in the Myhre Affidavit. Applicants have provided, for example, lists of requested information. The Examiner has never responded to these requests.

Accordingly, the Myhre Affidavit is not subject to contradiction or explanation, and thus contravenes the rule which provides for an affidavit of Examiner Myhre.

The Board's Decision in 09/045,518 suggests that 37 C.F.R. § 104(d)(2) does allow for a challenge to an examiner's affidavit in the form of questions. Applicants now have provided questions in the form of an affidavit. Applicants respectfully request that Examiner Myhre answer the provided questions. However, Applicants do not necessarily agree that providing the questions in the form of an affidavit is a challenge to the Myhre Affidavit, as Examiner Myhre cannot be called upon by Applicant to testify or clarify his assertions under oath through the patent examination process, and although it is implied by the Board's Decision, it is not clear that the Examiner is required to respond to such questions. At best, Applicants' questions may raise some doubts regarding the lack of specificity of the Myhre Affidavit, or the questionable memory of the affiant, but they are not necessarily facts that "contradict or clarify."

### **3.06. Assertions Are Not Those of an Unbiased, Objective, Third Party**

As discussed above, Examiner Myhre provided the Myhre Affidavit only after reading the disclosure of the related application and receiving an Appeal Brief traversing rejections based on other references. Thus, the assertions are of questionable accuracy upon hindsight reconstruction based on Applicants' disclosure. Further, Applicants recognize that it also may be difficult for the Examiner to decide to question or withdraw any portion of such assertions once the Examiner committed to using the personal experience as the primary basis for rejecting the claims. In that respect, Examiner Myhre cannot be said to be completely unbiased because Examiner Myhre has at least a partial interest in the ability to provide (and maintain) an unchallengeable rejection based on the personal knowledge.

On December 9, 2004, Examiner Myhre considered information cited in an accompanying affidavit, information which indicates that the personal experience attested to could not have taken place during the time alleged (1991 or 1992) and/or in relation to the cellular provider alleged (Sprint™). After considering this information, Examiner Myhre did not withdraw or even modify the allegations made in the Myhre Affidavit in any way.

### **3.07. Due Process Requires Corroboration or Cross-Examination**

Although the Board's Decision indicates that questions may be provided in an affidavit to challenge an examiner's affidavit, the Board did not indicate that such questions must be answered.

Due Process requires corroboration or cross examination. For example, adverse hearsay testimony has been precluded from being found to constitute substantial evidence, where no opportunity is provided for cross-examination of the testimony. *See, e.g., Doe v. United States*, 132 F.3d 1430, 1435-37 (Fed. Cir. 1997). *See generally* II Richard J. Pierce, Jr., *Administrative Law Treatise*, § 9.11 p. 702 (4th ed. 2002) (citing cases from other circuits, such as *Demenich v. HHS*, 913 F.2d 882 (11th Cir. 1989), and *Lidy v. Sullivan*, 911 F.2d 1075 (5<sup>th</sup> Cir. 1990), which hold that parties have either a conditional or an absolute due process right, respectively, to subpoena the cross-examination testimony of authors of adverse hearsay evidence used in medical disability adjudications). Similarly, where there is a demonstrated reason to be concerned about the reliability of the hearsay evidence, denial of the opportunity for cross-examination either may preclude a finding of substantial evidence or may violate due process. *See, e.g., Doty v. U.S.*, 53 F.3d 1244, 1251-53 (Fed. Cir. 1995).

Further, mere uncorroborated hearsay or rumor does not constitute substantial evidence.” *Consolidated Edison Co. v. NLRB*, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); *see also, Dickinson v. Zurko*, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) (“Zurko III”).

### **3.08. The Alleged Time Period and/or Cellular Provider is/are Incorrect**

It is highly unlikely that the experience alleged by Examiner James W. Myhre took place during 1991 or 1992, as attested to in the Myhre Affidavit. The alleged process refers to Sprint™ eight times. As indicated in an accompanying affidavit, however, Sprint™ was not providing cellular service in 1991 or 1992.

Accordingly, the Myhre Affidavit is not substantial evidence that the alleged events took place during the alleged time period (or even prior to the effective priority date of the pending claims), and is not substantial evidence that Sprint™ was involved in the alleged process. Examiner James W. Myhre’s recollection of an incorrect timeframe and/or an incorrect provider makes his ability to recall the specifics of the alleged personal experience even more questionable.

Substantial evidence is evidence “a reasonable person might accept as adequate to support a conclusion.” *In re Zurko*, 258 F.3d 1379, 1384 (Fed. Cir. 2001) (internal citations omitted). Examiner Myhre’s recollection is contradicted by information Examiner Myhre considered (as discussed above). The Myhre Affidavit is not substantial evidence at least because a reasonable person, given the incorrect statements and failure to modify or withdraw such statements in light of the disclosed information considered by Examiner Myhre, would not find the Myhre Affidavit adequate to support a conclusion that the asserted personal experience took place as described or in the time described.

#### **4. Applicable Law for Section 103(a)**

##### **4.01. Prima facie burden**

The examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a prima facie case of unpatentability. If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445, 24 U.S.P.Q.2D 1443, 1444 (Fed. Cir. 1992).

##### **4.02. Claim interpretation must be consistent with the specification**

During examination, claims are given their broadest reasonable interpretation that those skilled in the art would reach, consistent with the specification. In re Hyatt, 211 F.3d 1367, 1372, 54 U.S.P.Q.2D 1664, 1667 (Fed. Cir. 2000); In re Cortright, 165 F.3d 1353, 1359, 49 U.S.P.Q.2D 1464, 1468 (Fed. Cir. 1999). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 127 F.3d 1048, 1054-55, 44 U.S.P.Q.2D 1023, 1027 (Fed. Cir. 1997).

##### **4.03. Substantial evidence required for all factual findings**

The Board is not permitted to accept conclusory, unsupported findings made by the Primary Examiner that are not supported by substantial evidence made of record.

All findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record. In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000).

The Supreme Court has described “substantial evidence” in the following manner:

substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence.

Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); see also, Dickinson v. Zurko, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 1935, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) (“Zurko III”).

“[R]eview under this standard involves an examination of the record as a whole, taking into consideration evidence that both justifies and detracts from the

agency's decision." Universal Camera Corp. v. NLRB, 340 U.S. 474, 487-88, 95 L. Ed. 456, 71 S. Ct. 456 (1951); Zurko III, 527 U.S. at 162.

#### **4.04. Obviousness**

The examiner bears the initial burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265, 23 U.S.P.Q.2D 1780, 1783 (Fed. Cir. 1992); Oetiker, 977 F.2d at 1445. In the absence of a proper prima facie case of obviousness, an applicant who complies with the other statutory requirements is entitled to a patent. Oetiker, 977 F.2d at 1445.

To reject claims in an application under section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355, 47 U.S.P.Q.2D 1453, 1455 (Fed. Cir. 1998). The prima facie case is a procedural tool, and requires that the examiner initially produce evidence sufficient to support a ruling of obviousness; thereafter the burden shifts to the applicant to come forward with evidence or argument in rebuttal. In re Kumar, 418 F.3d 1361, 1366, 76 U.S.P.Q.2D 1048, 1050 (Fed. Cir. 2005). The patent applicant may attack the Examiner's prima facie determination as improperly made out, or the applicant may present objective evidence tending to support a conclusion of nonobviousness. Fritch, 972 F.2d at 1265. When rebuttal evidence is provided, the prima facie case dissolves, and the decision is made on the entirety of the evidence. Kumar, 418 F.3d at 1366; Oetiker, 977 F.2d at 1445.

In Graham v. John Deere Co., 383 U.S. 1, 148 U.S.P.Q. 459 (1966), the Supreme Court established the test for consideration and determination of obviousness under 35 U.S.C. § 103. In Iron Grip Barbell Co. v. USA Sports Inc., the Federal Circuit explained how obviousness must be determined using the four-part Graham test:

- we employ the four-part test set forth in Graham v. John Deere Co., 383 U.S. 1 (1966). This test requires us to examine
- (1) the scope and content of the prior art;
  - (2) the level of ordinary skill in the art;
  - (3) the differences between the claimed invention and the prior art;
- and
- (4) the objective evidence of nonobviousness. *Id.* at 17-18; see also 35 U.S.C. § 103 (2000).

392 F.3d 1317, 1320, 73 U.S.P.Q.2D (BNA) 1225 (Fed Cir. 2004); see also, Rouffet, 149 F.3d at 1355. U.S. Patent and Trademark Office policy is also to follow Graham. Accordingly, examiners should apply the test for patentability

under 35 U.S.C. § 103 as set forth in Graham. M.P.E.P. § 2141 “35 U.S.C. 103; the Graham Factual Inquiries”, p. 2100-120, 8<sup>th</sup> ed., Rev. 2 (May 2004). Accordingly, during examination an examiner must conduct the four factual inquiries enunciated in Graham in determining obviousness of any claim.

The underlying factual determinations on which a conclusion of obviousness is allegedly based are reviewed to ascertain whether they are supported by substantial evidence. In re Kumar, 418 F.3d at 1365 (citing Gartside, 203 F.3d at 1316). Unsupported assessments of the prior art are unacceptable for purposes of review. “Rather, the Board must point to some concrete evidence in the record in support of these findings. To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise.” In re Zurko, 258 F.3d at 1385-86. “[D]efficiencies of the cited references cannot be remedied by the Board’s general conclusions about what is ‘basic knowledge’ or ‘common sense,’” nor may the Board simply reach conclusions based on its own understanding or experience. In re Zurko, 258 F.3d at 1385; Lee, 277 F.3d at 1344. “[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency’s conclusion.” Lee, 277 F.3d at 1344.

A determination of the level of ordinary skill in the art is an integral part of the Graham analysis. Ruiz v. A.B. Chance Co., 234 F.3d 654, 666, 57 U.S.P.Q.2D 1161, 1168 (Fed. Cir. 2000) (citing Custom Accessories Inc. v. Jeffrey-Allan Indus., Inc., 807 F.2d 955, 962, 1 U.S.P.Q.2D 1196, 1201 (Fed. Cir. 1986)). Ascertaining a level of ordinary skill in the art is necessary. M.P.E.P. § 2141.03.

In making the assessment of differences between the prior art and the claimed subject matter, Section 103 specifically requires consideration of the claimed invention “as a whole.” Princeton Biochemicals, Inc. v. Beckman Coulter, Inc., 411 F.3d 1332, 1337 75, U.S.P.Q.2D 1051, 1054 (Fed. Cir. 2005); Ruiz v. A.B. Chance Co., 357 F.3d 1270, 1275, 69 U.S.P.Q.2D 1686, 1690 (Fed. Cir. 2004). Inventions typically are new combinations of existing principles or features. Envtl. Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 698, 218 U.S.P.Q. 865, 870 (Fed. Cir. 1983) (noting that “virtually all [inventions] are combinations of old elements”). The “as a whole” instruction in title 35 prevents evaluation of the invention part by part and requires a showing that an artisan of ordinary skill in the art at the time of invention, confronted by the same problems as the inventor and with no knowledge of the claimed invention, would have selected the various elements from the prior art and combined them in the claimed manner. Ruiz, 357 F.3d at 1275.



Whether a rejection is based on a purported combination of relevant teachings of separate references, or on a purported modification of the prior art, an examiner can satisfy the prima facie burden only by showing some objective teaching (either in the prior art or the knowledge generally available to one of ordinary skill) would lead to the purported combination or modification. Fritch, 972 F.2d at 1265-66; Rouffet, 149 F.3d at 1355-56. Also, where the examiner fails to explain the specific understanding or principle within the knowledge of a skilled artisan that would motivate one with no knowledge of the claimed invention to make an alleged combination of references, the court may infer that the examiner selected the references with the assistance of hindsight, which is forbidden. Lacking a motivation to combine, there is no prima facie case of obviousness. Rouffet, 149 F.3d at 1358. There must be some reason, suggestion, or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination. That knowledge cannot come from the applicant's invention itself. Oetiker, 977 F.2d at 1447.

"Recognition of an unsolved problem does not render the solution obvious." Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc., 381 F.3d 1371, 1377, 72 U.S.P.Q.2D 1333, 1337 (Fed. Cir. 2004) ("Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure.").

A "teaching or suggestion or motivation [to combine]" is an "essential evidentiary component of an obviousness holding." C.R. Bard, Inc. v. M3 Sys., Inc., 157 F.3d 1340, 1352, 48 U.S.P.Q.2D 1225, 1232 (Fed. Cir. 1998). Evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. In re Dembiczak, 175 F.3d 994, 999, 50 U.S.P.Q.2D 1614, 1617 (Fed. Cir. 1999); see also, e.g., Nat'l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd., 357 F.3d 1319, 1337-39, 69 U.S.P.Q.2D 1641, 1655-56 (Fed. Cir. 2004) (finding that whether or not a drawing and disclosure had been disseminated to a sufficiently broad public so as to give either the status of a prior art reference, they (and corresponding witness testimony) were evidence relevant to whether a motivation to combine was implicit in the knowledge of one of ordinary skill in the relevant art).

"The range of sources available, however, does not diminish the requirement for actual evidence" showing the teaching or motivation to combine—"particular findings regarding the locus of the suggestion, teaching, or motivation to combine the prior art references" must be made. Dembiczak, 175 F.3d at 999-1000

(“Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight.”). See also, In re Kotzab, 217 F.3d 1365, 1371, 55 U.S.P.Q.2D 1313, 1317 (Fed. Cir. 2000) (“Whether the Board relies on an express or an implicit showing [of a teaching, motivation, or suggestion to combine or modify], it must provide particular findings related thereto.”)

Any findings of prior knowledge in the field of the invention (including purported motivations to combine) must be supported by tangible teachings of materials made of record. Cardiac Pacemakers, 381 F.3d at 1376 (“Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials”); Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1578-79, 42 U.S.P.Q.2D 1378, 1383 (Fed. Cir. 1997) (“However, the record must provide a teaching, suggestion, or reason to substitute computer-controlled valves for the system of hoses in the prior art. The absence of such a suggestion to combine is dispositive in an obviousness determination.”).

## 5. Claim 5

The Examiner’s assertions with respect to Claim 5 are not supported by substantial evidence, and no prima facie case of obviousness has been established. No actual evidence of record indicates that it would have been obvious to provide for selecting a second merchant from a plurality of merchants based on information received from the customer that does not include an indication of the at least one item that the customer is to purchase.

Logan generally discloses a system where a subscriber may pay for personalized content (e.g., sound files). The subscriber may also pre-arrange to have advertising presented in exchange for receiving credit. Combining Logan with the Myhre Affidavit would involve, at best, presenting advertisements from different advertisers to customers. The Examiner responds to this argument by equating advertisements with offers. Clearly, the two are not synonymous, and the combination of Logan with the Myhre Affidavit would not yield the claimed subject matter. The Examiner has not provided any actual evidence to support the Examiner’s assertion of equivalence of “offer” and “advertisement.”

Also, the Examiner’s rejection relies on a finding that it was known to indicate a preference for a service provider, and to base the presentation of an offer on this indicated preference for a service provider. [Office Action, page 4 (“...to use customer information, such as an indicated preference for a service provider (e.g. Sprint or AT&T), to present an offer to the Radio Shack customer”)]. The Myhre Affidavit does not suggest a customer could indicate a preference for a

particular service provider of a plurality of service providers. Logan also does not suggest a user could indicate a preference for a particular service provider, or for any specific merchant. To the contrary, the cited portion of Logan suggests only that the user could indicate a preference for hearing (or not hearing) advertising with respect to a particular subject matter category. The user is not given the option to prefer a particular advertiser to another, as suggested by the Examiner.

**6. Claim 6**

Contrary to the Examiner's assertion, there is nothing in the Myhre Affidavit which states or suggests that an offer is in any way based on customer information. In fact, there is nothing that suggests that an offer is anything other than a predetermined "list of service plans offered by Sprint™", and accordingly offers are not subject to variation, much less based on customer information.

The Examiner responds to this argument by equating customer information with product information ("a certain brand and model of cellular telephone"). Claim 2 has been amended to clarify that "customer information" means information about the customer that does not include the indication of the at least one item.

Contrary to the Examiner's suggestion, there is nothing in the Myhre Affidavit which suggests "other types of customer information, such as marital status." [Office Action, pages 4-5]. In response to this argument, the Examiner asserts:

The Applicant argues in reference to Claim 6 that the prior arts do not teach "other types of customer information, such as marital status." The Examiner respectfully disagrees as it is standard sale practices during a sale discussion that customer information is exchanged from the premise of the interaction with a customer and to tailor specific offers based on customer information as recited in the rejection of Claim 6.

[Office Action, page 16]. The Examiner misstates Applicants' argument, which was that the Myhre Affidavit (which was explicitly relied upon by the Examiner for the assertion) is not evidence of "other types of customer information, such as marital status," much less selecting an offer based on such information.

The Examiner now also makes a conclusory assertion that the "prior arts" teach such information, and of an alleged "standard sales practices" and "to tailor specific offers." The Examiner, however, still has provided no evidence in support of any of these assertions, and therefore cannot have established a prima facie case obviousness. Applicants reiterate that the Myhre Affidavit is not substantial evidence that it was known to select an offer based on marital status or other

customer information that does not include an indication of the at least one item. The Examiner has not cited any evidence in support of the assertion that such information was known, or that it was known to use such information in selecting an offer. Accordingly, the Examiner has failed to establish a prima facie case of obviousness of Claim 6.

**7. Claim 15 and 16**

The Examiner's assertions with respect to Claims 15 and 16 contradict the allegations in the Myhre Affidavit. The "offer" is the "list of service plans", and if the customer information is "completing the Sprint service application form" as is alleged with respect to Claim 7, then such an offer is clearly provided before the customer information is received. Claim 2 has been amended to clarify that "customer information" means information about the customer that does not include the indication of the at least one item. Contrary to the Examiner's assertion, there is nothing in the Myhre Affidavit which suggests "other types of customer information, such as marital status." [Office Action, pages 5-6].

The Examiner's unsupported assertions about "marital status" are discussed above with respect to Claim 5. Nothing in the Myhre Affidavit supports the Examiner's statement that it teaches "tailored sales offer" or consideration of customer information in selecting an offer. The Examiner still has not provided a prima facie case of obviousness of Claims 15 and 16.

**8. Claim 42**

Contrary to the Examiner's assertion, nothing in the Myhre Affidavit suggests that an offer is performed only if a predetermined rule (e.g., customer indicates willingness to purchase cell phone) is satisfied (i.e. and not other times). Applicants have requested evidence in support of this assertion, and respectfully request an affidavit of the Examiner if the assertion is based on the Examiner's personal experience. The Examiner does not otherwise establish any evidence that would support the Examiner's assertion that such subject matter was known, or to support the Examiner's assertion that a subsidy offer is not made if a customer desires to purchase a computer.

**9. Claims 10 and 14**

The Examiner acknowledges that the alleged personal experiences do not read on Claim 10. The Examiner fails to explain why the purportedly obvious benefit of verifying information was not performed during the alleged activities, since without such verifying "it may be impossible for Sprint to complete a credit check and issue an approval". The Examiner appears to respond to this argument by making additional assertions as to what (although he has no personal knowledge

of it) Sprint did and what was well known. These assertions are clearly not suggested by any reference of record, and moreover there are many alternate explanations besides requiring verification of customer information. For example, Sprint™ could have simply run a credit check on the customer without first verifying any information, approved an application even if customer information could not be verified, or determined that the customer had not previously broken cellular telephone contracts. Note that none of the above are suggested by any references of record either.

**10. Claims 11 - 13**

Nothing in the Myhre Affidavit or Baker suggests assessing a penalty against a customer if the customer information is not accurate, much less the specific penalties of canceling the benefit or charging a penalty fee to the customer. The Examiner now responds to this argument by asserting that the Myhre Affidavit somehow “implies” (i) if a customer’s information cannot be verified, (ii) the transaction and offer are “refused,” and (iii) this refusal is penalizing the customer. Nothing in the references (including the Myhre Affidavit) supports any of the assessments (i-iii) of the prior art. Nothing in the Myhre Affidavit or Baker hints at the desirability of assessing a penalty in any way related to the accuracy of customer information. Nothing in the Myhre Affidavit hints at support for the Examiner’s assertion that “another service provider” could approve “a secondary offer to the customer.”

**11. Claims 56 - 60 and 63**

Nothing in Myhre or Ellis suggests an offer for a reduction in the total price [of at least one item that a customer is ready to purchase from a merchant via a web site] in exchange for applying for a credit card account with a credit card issuer. The prior art of record only discloses that credit card issuers provide application forms in the hopes that new customers will apply. The Examiner responds to this argument by asserting that the claim limitations pertaining to specific service or product (e.g., credit card account) have no patentable weight. We respectfully disagree.

**12. Claim 61**

The present Examiner now asserts that the Myhre Affidavit suggests that customer information is received and transmitted before an offer for a subsidy is provided. [Office Action, page 9]. This assessment of the Myhre Affidavit conflicts with Examiner Myhre’s own assessment of his own personal experience. See Office Action mailed December 14, 2004 (page 10). The Myhre Affidavit in fact explicitly contradicts the present Examiner’s assessment. The present Examiner, however, simply provides the conclusory assertion that “it is obvious

that the customer information is being conveyed to Radio Shack just from the premise of the customer interacting with Radio Shack.” The Examiner also appears to be (mis)interpreting the Myhre Affidavit as somehow implying that “the customer information has been received by the second merchant prior to selection of the offer,” despite the statement in the Myhre Affidavit: “If the customer [after being informed of the discounted price] was interested, I would present a list of service plans offered by Sprint™.... Once the customer had chosen a plan...I would fax the application to Sprint™.” Claim 61 as amended clarifies that the purchase itself is not customer information. Further, the Examiner does not purport to explain what information would be customer information that would have been received by Radio Shack and would also be provided to the “second merchant,” as recited in the claim, but is also not information about the purchase.

**13. Claims 3, 4, 17 and 33 - 40**

Nothing in the Myhre Affidavit or Saxe patent suggests, for a customer who is to purchase from a first merchant via a web site, receiving customer information which includes a service that is provided to the customer, or a service provider that provides a service to the customer. Nothing in the cited references suggests that it would have been desirable to modify the practice outlined in the Myhre Affidavit to receive information about a service that is provided to the customer, or a service provider that provides a service to the customer. There is no support for the Examiner’s conclusory assertion of obviousness.

Similarly, nothing in the Myhre Affidavit or Saxe patent suggests, for a customer who is to purchase from a first merchant via a web site, receiving customer information from a party other than the customer. Nothing in the references suggests that it would have been desirable to modify the practice outlined in the Myhre Affidavit to receive information from a party other than the customer. There is no support for the Examiner’s conclusory assertion of obviousness.

Similarly, nothing in the Myhre Affidavit or Saxe patent suggests, for a customer who is to purchase from a first merchant via a web site, determining a service provider that provides a service to the customer. Nothing in the references suggests that it would have been desirable to modify the practice outlined in the Myhre Affidavit to determine a service provider that provides a service to the customer. There is no support for the Examiner’s conclusory assertion of obviousness.

**14. No Motivation to Combine any description in the Myhre Affidavit with any teachings of Logan**

The Examiner proposes the following motivation to combine the practice described in the Myhre Affidavit with Logan:

"One would have been motivated to select the offer from a plurality of secondary merchants in order to give the customer greater latitude in the selection of service plans and providers, thus increasing the likelihood that the customer would accept the offer."

[Office Action, pages 3-4].

This motivation is found only in Applicants' disclosure. No reference of record provides this motivation. Accordingly, the Examiner has failed to demonstrate a *prima facie* case of obviousness. Also, recollection of the Examiner documented in the Myhre Affidavit is directed to a closed system where only a single cellular service provider (i.e., Sprint™) is required to activate a cellular telephone (no evidence or explanation has been given for the unsupported assertions that the Myhre Affidavit discloses another offer from another provider). It is well known that (especially during the time period in question) cellular telephones of a given manufacturer were operable with a single cellular service provider. Thus, it would make no sense to alter the assertions of the Myhre Affidavit to include, e.g., different service providers, which the purchaser of a cellular phone could not use with the phone.

There is no support in the record for the assertions made by the Examiner on page 4 (with respect to customer having bad experiences with AT&T) or on page 17-18 (paragraph i). The Examiner has failed to establish a *prima facie* case of obviousness for any pending claim.

**15. Non-analogous References**

The Myhre Affidavit, Logan, Ellis and Saxe documents are directed to different fields of endeavor.

In particular, Logan involves advertising from a plurality of advertisers, while the Myhre Affidavit describes selling a bundle that includes a cellular telephone and a service required to use the cellular telephone. To rely on a reference under 35 U.S.C. § 103, it must be analogous prior art. The examiner must determine what is "analogous prior art" for the purpose of analyzing the obviousness of the subject matter at issue. "In order to rely on a reference as a basis for rejection of an applicant's invention, the reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned." In re Oetiker, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992). See also In re Deminski, 796 F.2d

436, 230 USPQ 313 (Fed. Cir. 1986); *In re Clay*, 966 F.2d 656, 659, 23 USPQ2d 1058, 1060-61 (Fed. Cir. 1992) ("A reference is reasonably pertinent if, even though it may be in a different field from that of the inventor's endeavor, it is one which, because of the matter with which it deals, logically would have commended itself to an inventor's attention in considering his problem.").

The Examiner asserts that the references are analogous because

"the practices outlined in the prior arts are all sales practices of transactions involving a product or a service"

Office Action, pages 17-18. The Examiner implicitly acknowledges that the references are directed to differing types of items or services and thus the references are directed to different fields. The Examiner appears to suggest, however, that all of the references contain some teachings under the broad rubric of "sales practices." From this alone, the Examiner concludes that it would be proper to combine the various references." Office Action, page 18.

In summary, the Examiner has asserted that all references involving any type of transactions are analogous. By this logic, the following would all be analogous: bartering for produce at a bazaar, selling collectibles via a reverse auction, bidding on futures contracts for oranges, selling used goods at a tag sale, the Pentagon's system for receiving bids for military contracts, and selling real estate via the MLS (multiple listing service). Clearly, two references are not analogous merely because they refer to "transactions". The rubric "sales" is as overbroad as the rubrics "manufacturing," "engineering," or "physical sciences."

The Examiner must provide actual evidence of record that one having ordinary skill in the art would have looked to the cited references to make the proposed modifications to the system allegedly witnessed by the Examiner at some indeterminate time (not in 1991 and 1992). The Examiner has failed to do so, and thus has not established evidence of motivation to combine any teachings of any references.

#### **D. ADDITIONAL COMMENTS**

Our silence with respect to the Examiner's other various assertions not explicitly addressed in this paper, including assertions of what the cited reference(s) teach or suggest, the Examiner's assessments of the prior art, or the Examiner's interpretation of claimed subject matter, is not to be understood as agreement with the Examiner. As the Examiner has not established an un rebuttable prima facie case of obviousness for any of the pending claims, for the



reasons stated in this paper, we need not address the Examiner's other assertions at this time.

**E. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES**

We understand that a five-month extension of time to respond to the Office Action is necessary. Please grant a petition for any extension of time required to make this Response timely.

Charge: \$2,160.00

Deposit Account: 50-0271

Order No.: 98-109

Please charge any appropriate fees set forth in 37 C.F.R. §§ 1.16 – 1.18 for this paper and for any accompanying papers to Deposit Account 50-0271. Please credit any overpayment to the same account.

**F. CONCLUSION**

It is submitted that all of the claims are in condition for allowance. The Examiner's re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at [mtdowns@walkerdigital.com](mailto:mtdowns@walkerdigital.com).

Respectfully submitted,

April 5, 2007  
Date

/Michael Downs 50252/  
Michael Downs  
Attorney for Applicants  
Registration No. 50,252  
[mtdowns@walkerdigital.com](mailto:mtdowns@walkerdigital.com)  
(203) 461-7292 /voice  
(203) 461-7300 /fax